



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36120]

Piedmont and Northern Railroad LLC—Change in Operator Exemption—Piedmont Railway, LLC

Piedmont and Northern Railroad LLC (PDMT), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to assume operations over approximately 13.04 miles of rail line (the Line) owned by the North Carolina Department of Transportation (NCDOT), a noncarrier, between Mt. Holly (milepost SFC 11.39) and Gastonia (milepost SFC 23.0), including the Belmont spur between Mt. Holly (milepost SFC 13.6/SFF 0.13) and Belmont (milepost SFF 1.56), in Gaston County, N.C. The verified notice indicates that the Line is currently operated by Piedmont & Northern Railway, Inc., (PNRW) and that, as a result of this transaction, PDMT will become a Class III carrier and replace PNRW as the Line's exclusive operator. PDMT states that PNRW is voluntarily terminating its operations of the Line upon expiration of its agreement with NCDOT and that it does not object to the proposed change in operators. PDMT states that operations will be pursuant to a Railroad License and Operating Agreement (Agreement) dated May 10, 2017, between NCDOT and Progressive Rail Incorporated (PGR), a Class III rail carrier, which will assign the Agreement to PDMT. PDMT is a wholly owned subsidiary of PGR.¹

¹ The verified notice indicates that the Agreement does not allow NCDOT to exercise undue control over or interfere with PDMT's operations or ability to provide common carrier service.

This transaction is related to a concurrently filed verified notice of exemption in Progressive Rail Inc.—Continuance in Control Exemption—Piedmont & Northern Railroad, Docket No. FD 36121, in which PGR seeks to continue in control of PDMT upon PDMT's becoming a Class III rail carrier.

PDMT certifies that the Agreement does not include any provision or agreement that would limit future interchange with a third-party connecting carrier. PDMT certifies that its projected annual revenues as a result of this transaction will not exceed those that would result in the creation of a Class II or Class I rail carrier and further certifies that its projected annual revenues will not exceed \$5 million. Under 49 CFR 1150.32(b), a change in operator requires that notice be given to shippers. PDMT certifies that notice of the change in operator was served on the one shipper on the Line.

The earliest this transaction may be consummated is July 1, 2017, the effective date of the exemption.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than June 23, 2017 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36120, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Michael J.

Barron, Jr., Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL
60606.

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: June 13, 2017.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Clearance Clerk

Raina S. Contee

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